

File Mercur
ACT 1045/013
Copy to RAM, MARK M.

BARRICK RESOURCES CORPORATION

August 7, 1985

Mr. David R. Bird
Parsons, Behle & Latimer
185 South State Street, Suite 700
Post Office Box 11898
SALT LAKE CITY, Utah
84147-0898

Dear David:

Re: Reclamation Self Bonding Requirements

I have the following comments/information in response to the points listed in your letter of August 6, 1985:

1. Please recommend a suitable agent in Utah *David R. Bird*
2. I enclose the audited financial statements of Barrick for the years ending December 31, 1984, 1983, 1982, 1981 and the period ending December 31, 1980. I also enclose a copy of the information booklet prepared in connection with the Camflo Mines Limited, Bob-Clare Investments Limited and Barrick amalgamation in July 1984. Although from an accounting standpoint Barrick acquired Camflo and Bob-Clare, legally there was an amalgamation and each of the three companies is a predecessor of the present Barrick. Page 71 of the circular shows Camflo's audited statements of operations back to 1979.

3a) Barrick has three active businesses in the United States:

i) Coal

Barrick's indirect wholly owned subsidiary Muskingum Mining Incorporated operates two coal mines in Ohio. I enclose a copy of the audited financial statements of Muskingum at December 31, 1984 which shows Property, Plant and Equipment of US\$30,160,879 net of depreciation. Excluding the gross costs of land and improvements of US\$9,288,784 net fixed assets amount to US\$20,872,095 (this is a minimum figure as some of the depreciation would be applicable to land and improvements).

ii) Gold

As you are aware Barrick recently acquired the Mercur Mine for US\$31 million cash and a future production payment of US\$9 million. Schedule J-3 (attached) to the Stock Purchase Agreement between Getty and Barrick lists capital assets at the mine of US\$68,444,217. Even on the basis that the assets acquired should be written down to Barrick's cost, in excess of US\$20 million of the US\$31 million will be allocated to the Mill and Mining equipment.

Mr. David R. Bird
Parsons, Behle & Latimer

iii) Oil and gas

Barrick has expended in excess of US\$23 million on its U.S. oil and gas properties, these properties represent virtually all of the Cdn\$ 29,916,000 shown as petroleum and natural gas interests on page 15 of the 1984 annual report; however the majority of these expenditures are lease acquisition and enhancement costs and thus may not qualify as fixed assets as defined by the Department of National Resources.

- b) The audited pro forma balance sheet at December 31, 1984 shows a ratio of total liabilities to net worth of 0.77 to 1. This pro-forma balance sheet reflects the consummation in 1985 of certain transactions initiated in 1984 (see notes 1(a), 15 and 16). The ratio of current assets to current liabilities is 1.45 to 1.

4. See 1984 annual report.

5. I enclose the interim report for the three months ended March 31, 1985. The interim report for the six months ended June 30, 1985 will be available within two weeks.

As requested I enclose a copy of the Form 20-F filed with the Securities and Exchange Commission for the fiscal year ended December 31st, 1984.

Please call me if you have any comments on the above or require any further information. I will be in Salt Lake City Wednesday and Thursday of next week and we can meet then if you wish.

Yours very truly,

BARRICK RESOURCES CORPORATION



J. Garbutt
Executive Vice President, Finance.

Encl.